

Federal health overhaul will cost MontCo

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Montgomery County's health care tab will cost a bit more this year thanks to the federal health care overhaul, but agencies say the real financial test is in the years to come.

The county will pay just under \$2 million more this fiscal year to cover changes in health care coverage mandated by the federal legislation that took effect last month. More than \$1 million of the total comes from county schools.

The increase -- less than 1 percent of the county's \$4.5 billion budget - will be covered in this year's operating budget, according to Councilman George Leventhal, chairman of the Health and Human Services Committee.

Leventhal also said employees would pay more as a result of the changes in coverage, most notably extending dependents' coverage to 26 year olds. The Washington Examiner reported last month Marylanders' premiums would increase on average 3 percent or less.

But county agencies that testified before Leventhal's committee Monday said next year's health care tab will increase.

County schools expects the additional costs to double to \$2.2 million in 2012, largely because of new requirements for retiree health plans, according to testimony submitted by Superintendent Jerry D. Weast.

Other agencies that are claiming "grandfathered status" for their plans in an effort to delay implementing all the required changes said determining the fiscal impact beyond 2011 was difficult.

"The additional administrative burden that will be placed on our staff over the next few years is of great concern," a memo from Montgomery College's chief human resources officer said.

Jan Lahr-Prock, the health and benefits manager for the Maryland-National Capital Park and Planning Commission, said other than a roughly 1 percent increase in costs related to dependants' coverage, the future was murky.

"We really won't know the impact ... and we really have no idea of what we'll get in terms of enrollment [in dependents coverage]," she said.

Leventhal noted after the committee hearing that the county plans for annual increases in health costs but the federal mandates could be an "additional demand" on the budget.

Earlier this year the county closed a \$779 million gap for fiscal 2011 with spending reductions, salary freezes, furloughs and an energy tax increase.